

EXPERIENCE AND QUALIFICATIONS
ELLEN LAPSON, CFA

LAPSON ADVISORY

Financial Consulting
Expert Testimony
Financial Seminars

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SUMMARY OF QUALIFICATIONS

MBA in accounting and finance; Chartered Financial Analyst (CFA[®]). Over 40 years of professional experience in commercial and investment banking, securities analysis, and credit ratings, with a focus on utilities, power generation & alternative energy sources, natural gas and fuels, corporate and project finance. Design and conduct executive training in utility financial analysis and credit analysis. Consulting and expert witness testimony in matters involving infrastructure, utilities, and energy.

EMPLOYMENT

Lapson Advisory

Principal

Dec. 2011 - present

Financial consulting services to utilities and developers of infrastructure projects. Financial strategy and credit advisory for power, energy, infrastructure companies, and utilities. Legislative and regulatory communications and expert witness testimony. Financial and credit training.

Fitch Ratings

Utilities, Power & Gas

Managing Director

1999-2011

Senior Director

1994-1999

Chair of Fitch's global Corporate Finance Criteria Committee overseeing criteria for rating corporations, financial institutions, insurers, REITs, and project finance transactions (2010-2011).

Manager or primary analyst on credit ratings of over 200 utility, pipeline, power generation companies. Utility tariff monetization. Senior member of rating committees for utilities and energy and power-related projects.

Liaison with utility sector fixed income investors, focusing on 50 largest institutional investors holding utility and power bonds, buy-side and sell-side analysts, and utility bankers.

JP Morgan Chase

(formerly Chemical NY Corp.)

Vice President

1975-94

Asst. Vice President

1974-1975

Managed financial advisory transactions, structured debt private placements, syndicated credit facilities for utilities, mining and metals, project finance. Structured financing for utility regulatory assets (first of its kind "stranded cost" securitization transaction) for Puget Energy, 1992-94.

Led financing for bankrupt utility as debtor-in-possession; prepared financing plans for distressed utilities; structured exit financing for reorganization of two utilities emerging from Chapter 11.

Divisional Controller - 1981-1986

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Argus Research Corp. Equity analysis of U.S. electric and gas utilities, natural gas
Equity Security Analyst pipelines, and telecommunications companies. Modeling and
– Utilities projecting corporate financial statements. Research coverage
1969-1974 and reports.

EDUCATION & LICENSING

Stern School of Business, New York University, MBA, 1975

Major concentration: Accounting

Master's Thesis: Cash Flow vs. Accrual Accounting Data in Utility Equity Valuation

Chartered Financial Analyst (CFA[®]) since 1978

Barnard College, Columbia University, BA, 1969

PROFESSIONAL ASSOCIATIONS

Institute of Chartered Financial Analysts, 1978 - present

Wall Street Utility Group, 1996 - present

ADVISORY COUNCILS AND BOARD SERVICE

MIT Energy Institute, External Advisory Council, The Future of Solar Energy, 2012-2013.

Electric Power Research Institute, Advisory Council, 2004-2011; Chair, 2009 and 2010.

EXPERT WITNESS TESTIMONY

<u>Jurisdiction</u>	<u>Proceeding</u>	<u>Topic</u>
U.S. Federal Energy Regulatory Commission	Docket EL11-66 Martha Coakley et. al. vs. Bangor Hydro-Electric Company, et. al on behalf of a group of New England Transmission Owners (2013)	Return on Equity; capital market view of transmission investment
U.S. Federal Energy Regulatory Commission	Docket EL11-66 Martha Coakley et. al. vs. Bangor Hydro-Electric Company, et. al on behalf of a group of New England Transmission Owners (2012-13)	Return on Equity; capital market view of transmission investment
New York Public Service Commission	Cases 13-E-0030; 13-G-0031; and 13-S- 0032 on behalf of Consolidated Edison Company of New York. (2013)	Cash flow and financial strength; regulatory mechanisms
Public Service Commission of Maryland	Case. 9214 "In The Matter Of Whether New Generating Facilities Are Needed To Meet Long-Term Demand For Standard Offer Service", on behalf of Baltimore Gas and Electric Co., Potomac Electric Power Co., and Delmarva Power & Light Co.	Effect of certain power contracts on the credit and financial strength of MD utility counterparties

The following are cases in which Lapson testified on behalf of Fitch Ratings. Fitch Ratings ceased this activity in 2005.

<u>Jurisdiction</u>	<u>Proceeding</u>	<u>Topic</u>
Michigan Public Service Commission	Capacity Needs Forum, open public session, April 21, 2005	Mechanisms for funding new power capacity in a competitive market
U.S. Federal Energy Regulatory Commission	RTO & ISO Performance Standards, private session with Comm. Brownell and Staff, Feb. 23, 2004	Performance measures of the financial viability of RTOs
U.S. Bankruptcy Court, Dec. 2002	Bankruptcy reorganization of Pacific Gas & Electric, testimony on behalf of intervenor California Public Utilities Commission Staff.	Likely credit ratings on emergence with an alternate plan of reorganization
New Jersey Board of Public Utilities	Board of Public Utilities, Rockland Electric Co. base electric rate case. Letter of credit opinion submitted by Orange & Rockland Electric. March 2001	Credit opinion on the effect of rate freeze and deferred recovery of purchased power costs
<u>Jurisdiction</u>	<u>Proceeding</u>	<u>Topic</u>
New Jersey Board of Public Utilities	Private briefing session for Chairman, August 1999	Utility tariff bond securitization
New Jersey Board of Public Utilities	Private briefing session for Chairman, August 1999	Utility tariff bond securitization
New York Public Service Commission	Case 99-M-0631 Letter submitted as part of Consolidated Edison Co. of NY , testimony, July 1999	Credit effects on a distribution utility of lax ESCO financial security requirements
Illinois Commerce Commission	Rebuttal witness on behalf of Commonwealth Edison Co., May 1998	Energy provider credit criteria in the context of tariff securitization
Virginia Corporation Commission	Joint Task Force on Stranded Cost Recovery, June 18, 1997	Policy issues affecting VA electric transition to competition
New York Public Service Commission	Commission Staff, Private Meeting, May 14, 1997	Stranded cost recovery and securitization

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New Hampshire State Senate	Senate Energy and Utilities Committee hearing on utility restructuring, January, 1997	Stranded cost recovery and securitization
Pennsylvania Public Utility Commission	Commission open session, January, 1997	Stranded cost recovery using tariff securitization
Michigan Public Service Commission	Commissioner and Staff private session, Dec. 10, 1996	Stranded cost recovery and utility tariff securitization
Illinois Commerce Commission	Open public session, Dec. 9, 1996	Stranded cost recovery and utility tariff securitization

EXECUTIVE EDUCATION PROGRAMS

EEI Transmission and Wholesale Markets School	Financing and Access to Capital, August 2012
National Rural Utilities Cooperative Finance Corporation, In-House Training	Credit Analysis for the Power Sector, Sept. 2012
SNL Power and Gas Credit Training	Credit Analysis for the Power Sector, February 2013; Sept. 2012; May 2012
SNL Power and Gas Analyst Training	Credit and Fixed Income Securities, Dec. 2006
Judicial Institute of Maryland "Utility Regulation and the Courts" , Private training seminar for MD judges	Impact of Court Decisions on Financial Markets and Credit, Annapolis MD, June 2007
Edison Electric Institute New Analyst Training	Fixed Income Analysis and Credit Ratings, June 2008; also June 2004

PUBLICATIONS

BOOK CHAPTERS

Electric & Natural Gas Business: Understanding It, 2003 and Beyond, Robert E. Willett ed., Financial Communications Company, Houston, TX, 2003. Chapter 1: "Standard Market Design: Credit of Some Sectors Will Be Affected by SMD", Ellen Lapson, pp. 3-14.

Energy Modeling and the Management of Uncertainty, Robert Jameson ed., Risk Publications, London, 1999. "Managing Risks Through Contract Technology: Know Your Counterparty", Ellen Lapson, pp 154-155.

The US Power Market: Restructuring and Risk Management, Robert Jameson ed., Risk Publications, London, 1997. "Managing Credit Risk in the Electricity Market", Ellen Lapson (pp 281-291).

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ARTICLES

“Rising Unit Costs & Credit Quality: Warning Signals”, Ellen Lapson. Public Utility Fortnightly, Feb. 2006.

“The Future of Fuel Diversity”, Ellen Lapson and Richard Hunter, Public Utility Fortnightly, Oct. 2004.